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SUBJECT: LEE SANG-DEUK ON BEEF, PRESIDENT LEE'S MISSTEPS

Classified By: Amb. Alexander Vershbow. Reasons 1.4 (b,d).

¶1. (C) SUMMARY: Over a lunch of U.S. beef, the Ambassador and Vice Speaker Lee, who is President Lee Myung-bak's elder brother, discussed solutions to the continuing controversy over the planned reopening of the Korean market to U.S. beef. Vice Speaker Lee and recently reelected lawmaker Chun Yu-ok were pessimistic the controversy would subside soon, but optimistic that U.S. beef would soon reenter the market. Lee suggested it might be politically better for the Lee government to delay the official opening until after the June 4 by-elections. If not, a sweeping defeat for GNP candidates could damage future ROKG initiatives. Because progressive, anti-American, and pro-DPRK leaders had directed the ROKG and the Korean media for the last ten years, it was difficult now for President Lee to overcome media bias and well-organized leftist groups to resolve the beef issue. He thought, however, the situation would be easier once the GNP-controlled National Assembly started its session in June. Both the Vice Speaker and pro-MB lawmaker Chun Yu-ok acknowledged that President Lee had made some mistakes that had contributed to people's dissatisfaction with his Administration. Most of the President's missteps they attributed to President Lee's lack of "political instinct." They both also expressed disappointment in Park Geun-hye and other conservative leaders for not supporting President Lee on beef and other issues. Lee emphasized that U.S. support was key to helping the ROKG overcome the beef problem. Vice Speaker Lee said that President Lee was pro-U.S. and pro-Japan to the core so there should be no questioning President Lee's vision. Ultimately, President Lee would do right by the alliance and work well with both the U.S. and Japan. Lee said that the main task in the new National Assembly would be to pass the KORUS FTA. END SUMMARY

BEEF CONTROVERSY

¶2. (C) During a pleasant lunch with President Lee's elder brother Lee Sang-deuk, the Ambassador asked if there was some way to diffuse the controversy surrounding the reopening of the Korean market to U.S. beef. Vice Speaker Lee explained that the "386 generation" focused on anti-American, pro-DPRK, pro-Unification policies while younger Koreans are now protesting against U.S. beef with a different motive. Despite the different motive, the ideology of the 386-ers had influenced the young people protesting the reopening of the Korean market to U.S. beef imports. While ten years ago some

felt that the U.S. was more of an enemy than North Korea, now young people are worried about finding a job. While some worry that anti-beef sentiment could spiral into anti-U.S. sentiment, Lee thought that once U.S. beef was available in Korean stores, anti-beef protests would subside. Eventually, as holdovers from the anti-American/pro-DPRK period (1998-2008 Roh Moo-hyun and Kim Dae-jung presidencies) were pushed out of positions of power and influence, such issues would cease to be big problems.

13. (C) Lee said he was concerned that if the beef agreement were finalized to allow imports of U.S. beef to begin entering Korea before the June 4 by-election, it could become the main election issue and cause GNP candidates to lose. This would deal a heavy blow to President Lee. Therefore, waiting until after the election to finalize the agreement would be helpful. The Ambassador said waiting until after the election would damage Korea's credibility in the U.S. Congress since there had already been delays. Lee replied that if there were trust between the governments, one more small delay due to real political concerns should not make much difference. Rep. Chun disagreed with Lee and said she thought it would be better to keep the current date and start beef imports. Lee conceded that he originally wanted the beef market to reopen as quickly as possible so people could eat U.S. beef but had changed his mind recently because of the potential loss in the by-election.

CONSERVATIVES BACK IN POWER

14. (C) Lee said the conservatives won the December presidential and April National Assembly elections convincingly, but some conservatives were disappointed by President Lee's focus on pragmatism at the expense of traditional conservative principles. Due to disappointment with Lee, many of the pro-U.S. conservatives, such as Park Geun-hye and her supporters, were not interested in helping Lee handle his latest crisis. Representative Chun added that conservatives should thank President Lee for succeeding in changing the government. She admitted, however, that Lee Myung-bak's over-emphasis on pragmatism was a mistake, and the disappointment of some conservatives was regrettable but understandable.

INTRA-PARTY STRUGGLES

15. (C) Because the April 9 National Assembly elections were just 45 days after Lee Myung-bak's February 25 inauguration, the public intra-party struggle was inevitable, Lee lamented. Compounding the issue, some Lee Myung-bak supporters had tried to monopolize power by dominating the nomination process. Lee said he had put a brake on this movement, which led certain GNP lawmakers to sign a petition against his nomination. These people have since apologized, Lee said. Chun said some were opposed to Lee Sang-deuk remaining in the National Assembly, but because Lee has an important role to play, she had defended the choice to nominate Lee.

16. (C) Lee said that he was meeting traditional conservative leaders on behalf of President Lee to try to smooth over differences and convince them to support the President. Both Chun and Lee were not optimistic, however, that the pro-Park lawmakers could assimilate well into the GNP and support President Lee, even if their party membership were reinstated. Chun said that the likely scenario would result in President Lee fighting not only the opposition party but also the pro-Park lawmakers within the GNP. Chun said the reason she was pessimistic was that the pro-Park lawmakers had been critical of the ROKG regarding the beef agreement.

FANNING THE FLAMES OF DISCONTENT

¶7. (C) Before President Lee settled into office and "found his place," there was a struggle over nominations and controversy surrounding beef, Lee said. Compounding these problems, Lee appointed a group of rich, U.S.-educated Blue House senior secretaries and did not understand why Korean people would rally against such appointments. President Lee kicked off his term without assessing the situation and making concessions as needed. The reason for this, Lee said, was that President Lee has "poor political instinct" since he had not been directly involved in Korean politics for very long. Worse still, many of President Lee's close aides had also never run for the National Assembly. Therefore, neither President Lee nor his aides were able to imagine the problems that arose.

ROK: PRO-U.S., PRO-JAPAN, NOT PRO-PRC

¶8. (C) Lee said that the lack of outrage over the Chinese students who attacked some Koreans should not be a worry to the U.S. since Lee Myung-bak was not pro-PRC. There is a broad base built up over the decades fighting the dictatorships in Korea and supporting pro-DPRK policies, Lee said. USG leaders should realize that it will take time for conservatives to unite and overcome this entrenched organization.

¶9. (C) Chun pointed out that the ROK was closer to the U.S. than to China due to recent history and this explained why Koreans reacted more vehemently to the beef controversy than to the violence by Chinese students. Chun pointed out that conflicts between close friends or family members can be the most severe. Also, the fact that Japan belonged to the visa waiver program and the ROK did not contributed to sensitivity on all issues American. Chun said her daughter recently returned from study in the U.S. and wondered why there was a debate over U.S. beef. More Koreans needed to have the chance to go to the U.S. to dispel myths about the U.S. and about U.S. beef, Chun concluded.

¶10. (C) The Ambassador said that President Lee was respected, more in the U.S. than he was on April 18, when the beef agreement was signed, because people now see how difficult his decision was in light of the resultant domestic opposition. The Ambassador assured Lee that the USG appreciated President Lee's firm support of the U.S. and that the highest levels of the USG, especially President Bush, were sensitive to the political situation in Korea and would not press for controversial decisions while the situation remained difficult. President Bush said during the summit that no issue was a litmus test for the U.S.-ROK relationship since the USG understood there were domestic concerns influencing the handling of sensitive issues.

¶11. (C) Representative Lee said that President Lee Myung-bak is pro-U.S. but there are still some pro-DPRK elements in the press and in business. Therefore, the U.S. needs to help President Lee until these elements are replaced naturally over time. Some doubted President Lee, but Lee said he knew Lee's fundamental views were pro-U.S. and pro-Japan.

COMMENT

¶13. (C) Vice Speaker Lee is considered the most influential lawmaker in the National Assembly due to his relationship with President Lee and his status as the most senior conservative legislator. The frustration with and criticism of his brother, however, reflected an underlying tension between the two. National Assembly sources note that President Lee asked his elder brother not to run for National Assembly and was hurt when Lee ignored his advice and ran for a sixth term. This could have contributed to President Lee ignoring the more politically astute Vice Speaker's views on matters of personnel and politics. A long-time proponent of compromise, Lee has the authority and know-how to help his

brother address complaints about how he is running the country. The big question is whether President Lee will accept the help.

VERSHBOW